

**UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON**

CHERRY FU, Individually and On Behalf of  
All Others Similarly Situated,

Plaintiff,

v.

WANDA SPORTS GROUP COMPANY  
LIMITED, HENGMING YANG, HONGHUI  
LIAO, LIN ZHANG, PHILIPPE BLATTER,  
ANDREW MESSICK, DONGWEI YANG,  
EDWIN FUNG, MORGAN STANLEY & CO.  
LLC, DEUTSCHE BANK SECURITIES INC.,  
CITIGROUP GLOBAL MARKETS INC.,  
HAITONG INTERNATIONAL SECURITIES  
COMPANY LIMITED, CHINA  
INTERNATIONAL CAPITAL  
CORPORATION HONG KONG SECURITIES  
LIMITED, CLSA LIMITED, AND TIGER  
BROKERS (NZ) LIMITED,

Defendants.

**Case No:**

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**JURY TRIAL DEMANDED**

Plaintiff Cherry Fu (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and upon information and belief as to all other matters based on the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of U.S. Securities and Exchange Commission (“SEC”) filings by Wanda Sports Group Company Limited (“Wanda Sports” or the “Company”), as well as media and analyst reports about the Company and Company press releases. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein.

**NATURE OF THE ACTION**

1. Plaintiff brings this securities class action on behalf of persons who purchased or otherwise acquired Wanda Sports' securities pursuant and/or traceable to the registration statement and related prospectus (collectively, the "Registration Statement") issued in connection with Wanda Sports' July 26, 2019 initial public offering (the "IPO" or "Offering"), seeking to recover compensable damages caused by Defendants' violations of the Securities Act of 1933 (the "Securities Act").

2. In July 2019, Defendants held the IPO, issuing approximately 23.8 million American Depository Shares ("ADSs") to the investing public at \$8.00 per share, pursuant to the Registration Statement.

3. By the commencement of this action, Wanda Sports' has lost nearly 60% of its value—damaging investors.

### **JURISDICTION AND VENUE**

4. The claims alleged herein arise under and pursuant to Sections 11, 12(a)(2) and 15 of the Securities Act, 15 U.S.C. §§77k, 771(a)(2) and 77o.

5. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 22 of the Securities Act (15 U.S.C. §77v).

6. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and §22(a) of the Securities Act (15 U.S.C. §77v(a)) as a significant portion of the Defendants' actions, and the subsequent damages took place within this District.

7. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of a national securities exchange. Defendants disseminated the statements alleged to be

false and misleading herein into this District, and Defendants solicited purchasers of Wanda Sports securities in this District.

### **PARTIES**

8. Plaintiff, as set forth in the accompanying certification incorporated by reference herein, purchased Wanda Sports securities pursuant and/or traceable to the IPO and was damaged thereby.

9. Defendant Wanda Sports is incorporated in Hong Kong, Special Administrative Region of China, and maintains principal executive offices in Beijing, People's Republic of China. Wanda Sports' ADSs are listed on NASDAQ under the ticker symbol "WSG."

10. Defendant Hengming Yang ("H. Yang") was at the time of the IPO, a member of Wanda Sport's Board of Directors (the "Board") and the Company's President and Chief Executive Officer ("CEO"). Defendant H. Yang reviewed, contributed to, and signed the Registration Statement.

11. Defendant Honghui Liao ("Liao") is, and was at the time of the IPO, a member of the Board and the Chief Financial Officer ("CFO") of Wanda Sports. Defendant Liao reviewed, contributed to, and signed the Registration Statement.

12. Defendant Lin Zhang ("Zhang"), is, and was at the time of the IPO, Wanda Sports' Chairman of the Board. Defendant Zhang reviewed, contributed to, and signed or authorized the signing and issuance of the Registration Statement.

13. Defendant Philippe Blatter ("Blatter") is, and was at the time of the IPO, the Vice Chairman of the Company's Board. Defendant Blatter reviewed, contributed to, and signed or authorized the signing and issuance of the Registration Statement.

14. Defendant Andrew Messick (“Messick”) is, and was at the time of the IPO, a Director and member of the Company’s Board. Defendant Messick reviewed, contributed to, and signed or authorized the signing and issuance of the Registration Statement.

15. Defendant Dongwei Yang (“D. Yang”) was at the time of the IPO, a Director and a member of the Company’s Board. Defendant D. Yang reviewed, contributed to, and signed or authorized the signing and issuance of the Registration Statement.

16. Defendant Edwin Fung (“Fung”) is, and was at the time of the IPO, a Director and a member of the Company’s Board. Defendant Fung reviewed, contributed to, and signed or authorized the signing and issuance of the Registration Statement.

17. The Defendants named in ¶¶ 10-16 are referred to herein as the “Individual Defendants.” The Individual Defendants each signed the Registration Statement, solicited the investing public to purchase securities issued pursuant thereto, hired and assisted the underwriters, planned and contributed to the IPO and Registration Statement, and attended road shows and other promotions to meet with and present favorable information to potential Wanda Sports investors, all motivated by their own and the Company’s financial interests.

18. Defendant Morgan Stanley & Co. LLC (“Morgan Stanley”) is an investment banking firm that acted as an underwriter of Wanda Sports’ IPO, helping to draft and disseminate the IPO documents. Morgan Stanley conducts business in, offered for sale and/or caused the IPO documents to be transmitted into, Oregon.

19. Defendant Deutsche Bank Securities Inc. (“Deutsche Bank”) is an investment banking firm that acted as an underwriter of Wanda Sports’ IPO, helping to draft and disseminate the IPO documents. Deutsche Bank conducts business in, offered for sale and/or caused the IPO documents to be transmitted into, Oregon.

20. Defendant Citigroup Global Markets Inc. (“Citigroup”) is an investment banking firm that acted as an underwriter of Wanda Sports’ IPO, helping to draft and disseminate the IPO documents. Citigroup conducts business in, offered for sale and/or caused the IPO documents to be transmitted into, Oregon.

21. Defendant Haitong International Securities Company Limited (“Haitong”) is an investment banking firm that acted as an underwriter of Wanda Sports’ IPO, helping to draft and disseminate the IPO documents. Haitong’s address, as stated in the Registration Statement, is 22/F Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

22. Defendant China International Capital Corporation Hong Kong Securities Limited (“CICC”) is an investment banking firm that acted as an underwriter of Wanda Sports’ IPO, helping to draft and disseminate the IPO documents. CICC’s address, as stated in the Registration Statement, is 29th Floor, One International Finance Centre 1 Harbour View Street Central, Hong Kong.

23. Defendant CLSA Limited (“CLSA Limited”) is an investment banking firm that acted as an underwriter of Wanda Sports’ IPO, helping to draft and disseminate the IPO documents. CLSA Limited’s address, as stated in the Registration Statement, is 18/F, One Pacific Place, 88 Queensway, Hong Kong.

24. Defendant Tiger Brokers (NZ) Limited (“Tiger Brokers”) is an investment banking firm that acted as an underwriter of Wanda Sports’ IPO, helping to draft and disseminate the IPO documents. Tiger Broker’s address, as stated in the Registration Statement, is Level 4, 142 Broadway, Newmarket, Auckland, New Zealand 1023.

25. Defendants Morgan Stanley, Deutsche Bank, Citigroup, Haitong, CICC, CLSA, and Tiger Brokers are referred to herein as the “Underwriter Defendants.”

26. Pursuant to the Securities Act, the Underwriter Defendants are liable for the false and misleading statements in the Registration Statement as follows:

(a) The Underwriter Defendants are investment banking houses that specialize in, among other things, underwriting public offerings of securities. They served as the underwriters of the IPO and shared millions of dollars in fees collectively. The Underwriter Defendants arranged a multi-city roadshow prior to the IPO during which they, and representatives from Wanda Sports, met with potential investors and presented highly favorable information about the Company, its operations and its financial prospects.

(b) The Underwriter Defendants also demanded and obtained an agreement from Wanda Sports and the Individual Defendants that Wanda Sports would indemnify and hold the Underwriter Defendants harmless from any liability under the federal securities laws.

(c) Representatives of the Underwriter Defendants also assisted Wanda Sports and the Individual Defendants in planning the IPO, and purportedly conducted an adequate and reasonable investigation into the business and operations of Wanda Sports, an undertaking known as a “due diligence” investigation. The due diligence investigation was required of the Underwriter Defendants in order to engage in the IPO. During the course of their “due diligence,” the Underwriter Defendants had continual access to internal, confidential, current corporate information concerning Wanda Sports’ most up-to-date operational and financial results and prospects.

(d) In addition to availing themselves of virtually unlimited access to internal corporate documents, agents of the Underwriter Defendants met with Wanda Sports’ lawyers, management and top executives and engaged in “drafting sessions.” During these sessions, understandings were reached as to: (i) the strategy to best accomplish the IPO; (ii) the terms of the

IPO, including the price at which Wanda Sports securities would be sold; (iii) the language to be used in the Registration Statement; what disclosures about Wanda Sports would be made in the Registration Statement; and (iv) what responses would be made to the SEC in connection with its review of the Registration Statement. As a result of those constant contacts and communications between the Underwriter Defendants' representatives and Wanda Sports' management and top executives, the Underwriter Defendants knew of, or in the exercise of reasonable care should have known of, Wanda Sports' existing problems as detailed herein.

(e) The Underwriter Defendants caused the Registration Statement to be filed with the SEC and declared effective in connection with the offers and sales of securities registered thereby, including those to Plaintiff and the other members of the Class.

27. Wanda Sports, the Individual Defendants, and the Underwriter Defendants are referred to collectively as "Defendants."

## **SUBSTANTIVE ALLEGATIONS**

### **Background Information**

28. Wanda Sports purports to be a global sports events, media and marketing platform with significant intellectual property rights. The Company touts that its long-term relationships and broad execution capabilities create value for stakeholders in all parts of the sports ecosystem, from rights owners, to brands and advertisers and to fans and athletes. Wanda Sports also purports to own, or otherwise have contractual rights to, an extensive portfolio of global, regional and national sports properties from which it seeks to generate revenue across the value chain, including events operation, media production and media distribution, sponsorship and marketing, digital solutions and ancillary services.

29. Wanda Sports operates through three segments: Mass Participation, Spectator

Sports, and Digital, Production, Sports Solutions (“DPSS”).

**Wanda Sports’ False and/or Misleading Registration Statement**

30. On or about June 7, 2019, Wanda Sports filed with the SEC a registration statement on Form F-1 (Registration No. 333-232004), which in combination with subsequent amendments on Forms F-1/A and filed pursuant to Rule 424(b)(4), would be used for the IPO.

31. On July 29, 2019, Wanda Sports filed with the SEC the final prospectus for the IPO of common stock on Form 424B4 (the “Prospectus”), which forms part of the Registration Statement. In the IPO, Wanda Sports sold 23.8 million ADSs at \$8.00 per ADS. The Company received gross proceeds of approximately \$190.4 million.

32. The Registration Statement was negligently prepared and, as a result, contained untrue statements of material facts or omitted to state other facts necessary to make the statements made not misleading, and was not prepared in accordance with the rules and regulations governing its preparation.

33. Under applicable SEC rules and regulations, the Registration Statement was required to disclose known trends, events or uncertainties that were having, and were reasonably likely to have, an impact on the Company’s continuing operations. Throughout the Registration Statement, Wanda Sports made clear its growing revenue and the continuing growth of the sports industry generally.

34. In the section in the Registration Statement entitled “Selected Consolidated Statement of Profit or Loss Data[,]” Wanda Sports reported revenue of €877,247,000, €954,598,000, €1,129,186,000, in years ended December 31, 2016, 2017, and 2018, respectively; showing increased revenue for the years ended December 31, 2017 and 2018.

35. In the same section, Wanda Sports reported revenue of €234,104,000 and €245,619 for the three months ended March 31, 2018 and 2019, respectively; showing increased



revenue for the three months ended March 31, 2019 (Wanda Sports' first quarter 2019). Noted in the "Gross Profit" section of the same data table is the following:

Cyclicalities driven by the timing cycle of sports events has a significant impact on the comparability of our results from one period to the next. In 2018, both total revenue and total cost of sales were impacted due to media production activities in connection with the 2018 FIFA World Cup Russia™ accounted for in our DPSS segment. These activities are undertaken pursuant to our cost-plus contractual model under which both revenue and costs are fully accounted for in our consolidated statement of profit or loss, including reimbursement revenues and reimbursement costs.

36. Further, in the Registration Statement in the "Summary Consolidated Financial Data and Operating Data" section, Wanda Sports reported revenue of €234,104,000 and €245,619 for the three months ended March 31, 2018 and 2019, respectively; showing increased revenue for the three months ended March 31, 2019. Noted in the "Gross Profit" section of the same data table is the following:

Cyclicalities driven by the timing cycle of sports events has a significant impact on the comparability of our results from one period to the next. In 2018, both total revenue and total cost of sales were impacted due to media production activities in connection with the 2018 FIFA World Cup Russia™ accounted for in our DPSS segment. These activities are undertaken pursuant to our cost-plus contractual model under which both revenue and costs are fully accounted for in our consolidated[.]

37. The Registration Statement included the Company's first quarter of 2019 financial results which, even without the FIFA World Cup, saw an increase in revenue, stating in pertinent part:

***Three Months Ended March 31, 2019 and 2018***

***Revenue***

Our revenue was €245.6 million for the three months ended March 31, 2019, a 4.9% increase compared with the same period in 2018 (€234.1 million). The increase principally reflected higher revenue from our Spectator Sports segment in the three months ended March 31, 2019 as a result of the FIS World Championships having taken place in the early months of 2019 (and not in 2018), ***which more than offset the impact of the EHF European Championships for men and the 2018***

*FIFA World Cup Russia™ having each occurred in 2018 (and not in 2019). The increase in revenue from our Spectator Sports segment was partially offset by lower revenue from our DPSS segment in the three months ended March 31, 2019 as we had no reimbursement revenues during this period compared with significant reimbursement revenues from media production services in connection with Lega Serie A games and in the lead-up to the 2018 FIFA World Cup Russia™ in the same period in 2018. Our revenue from our Mass Participation segment improved slightly between the periods as a result of increased athlete participation in our marathon events in China, including Rock 'n' Roll Marathon Series events. See "—Segmental Results of Operations."*

(Emphasis added.)

38. The Registration Statement stated the following regarding yearly revenue growth:

*Years ended December 31, 2018, 2017 and 2016*

*Revenue*

Our revenue was €1.1 billion in 2018, an 18.3% increase compared with 2017 (€954.6 million), which reflected an 8.8% increase compared with 2016 (€877.2 million).

*2018 compared with 2017.* The 18.3% increase in 2018 compared with 2017 principally reflected a €156.4 million increase in reimbursement revenues, principally attributable to our media production activities in our [Digital, Production, Sports Solutions ("DPSS")] segment in connection with the 2018 FIFA World Cup Russia™. Excluding these reimbursement revenues, *our revenue increased in 2018 compared with 2017 principally due to higher revenue from our Mass Participation segment due to the integration of acquisitions and organic growth as well as revenue growth from our DPSS segment.* The increases in revenue from these segments were partially offset by the decrease in revenue in our Spectator Sports segment, from our summer sports portfolio and, to a lesser extent, our football and winter sports portfolios. See "—Segmental Results of Operations."

*2017 compared with 2016.* The 8.8% increase in 2017 compared with 2016 reflected 28.1% revenue growth from our Mass Participation segment due to the impact of acquisitions and organic growth and, to a lesser extent, revenue growth from our DPSS and Spectator Sports segments, each of which having been impacted by cyclical effects between the periods. See "—Segmental Results of Operations."

(Emphasis added.)

39. The Registration Statement discussed the potential effects of cyclicalities and seasonality on its revenue, and how some major events, such as the FIFA World Cup, increase revenue well before the event itself. The Registration Statement states in relevant part:

***Cyclicalities***

Cyclicalities driven by the timing cycle of sports events has a significant impact on the comparability of our results from one year to the next, particularly in our Spectator Sports and DPSS segments. Some major sports events for which we hold rights or provide services only take place on a biennial basis. This includes the FIS Ski World Championships and the CEV European Championships in volleyball, which each occur only in odd years (most recently, 2017), and the EHF EURO Championships in handball, which occur in even years (most recently, 2018 and 2016). Other major sports events occur on a quadrennial basis (such as the FIFA World Cup™ and UEFA EURO™ football events). While some revenue from such events in accordance with our revenue recognition policy may be recorded in years leading up to the event, the revenue from such events tends to be most significant in the year of the event, resulting in significant fluctuations in our results of operations between years. *For example, FIFA-related revenue increased over the past three years in line with the FIFA event cycle, including the 2017 FIFA Confederations Cup Russia™, leading up to, and including, the 2018 FIFA World Cup Russia™.*

The comparability of our results of operations from our DPSS segment is particularly impacted by cyclicalities due to our media production contracts for key events held every four years, such as the FIFA World Cup™ and the FIFA Confederations Cup™. Our agreements as host broadcaster for such events are mainly on a cost-plus basis where we pass on revenue received and are reimbursed fully for our expensed production costs and paid a profit margin on top. See "—Our Revenue-Generation Models—Our Spectator Sports and DPSS Segments" for a discussion of this contract model and the recognition of related revenue and costs (reimbursement revenues and reimbursement costs) in our consolidated statement of profit or loss. In 2018, our reimbursement revenues were €219.2 million, compared with €62.8 million and €43.0 million in 2017 and 2016, respectively, with this variance mainly due to media production activity in connection with the FIFA event cycle, including the 2017 FIFA Confederations Cup Russia™ and the 2018 FIFA World Cup Russia™.

***Seasonality***

Most of the event-related revenue as well as event-related expenses are recognized in the month in which an event occurs. In particular for our Mass

Participation segment, revenue and direct expenses tend to be higher in the third and fourth quarters of our fiscal year given our event calendar.

***Revenue generation in our Spectator Sports segment tends to be lower in the third quarter as winter sports events have not yet commenced and there is less activity in European football compared with other quarters.*** Over the course of the four quarters, gross profit shows a largely similar pattern to revenue.

Other than in years of a FIFA World Cup™, ***our results of operations in our DPSS segment tend to have less seasonal fluctuations compared with our other segments as a result of limited seasonality in the event-related DPSS business,*** such as the Lega Serie A host broadcast production, which spans a large portion of the year, as well as lack of seasonality in other portions of the business, such as digital media advisory.

Generally, our overhead expenses, such as personnel as well as office and administration expenses, do not show the same volatility throughout the year compared with fluctuations in revenue and gross profit, as they are not primarily impacted by peaks in operational activities in the same way as direct project income and expenditure. Our depreciation and amortization expenses as well as our financial expenses are generally also stable throughout the year.

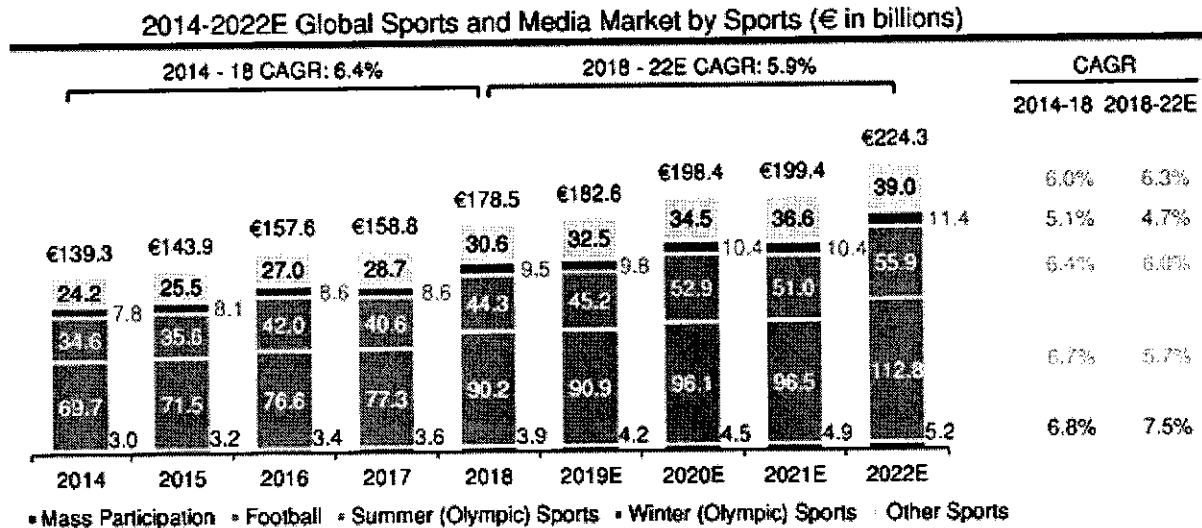
(Emphasis added.)

40. The Registration Statement also touted the steady, continued growth of the sports industry, every year, regardless of the timing of the FIFA World Cup. Wanda Sports analyzed the growth of the sports industry in several ways in its Registration Statement.

***Type of sports***

...

We are the market leader, among full-service sports marketing companies, in terms of sports covered in 2018. The following table sets out, broken down by sports category, the estimated historical and projected size of the global sports media and events market.



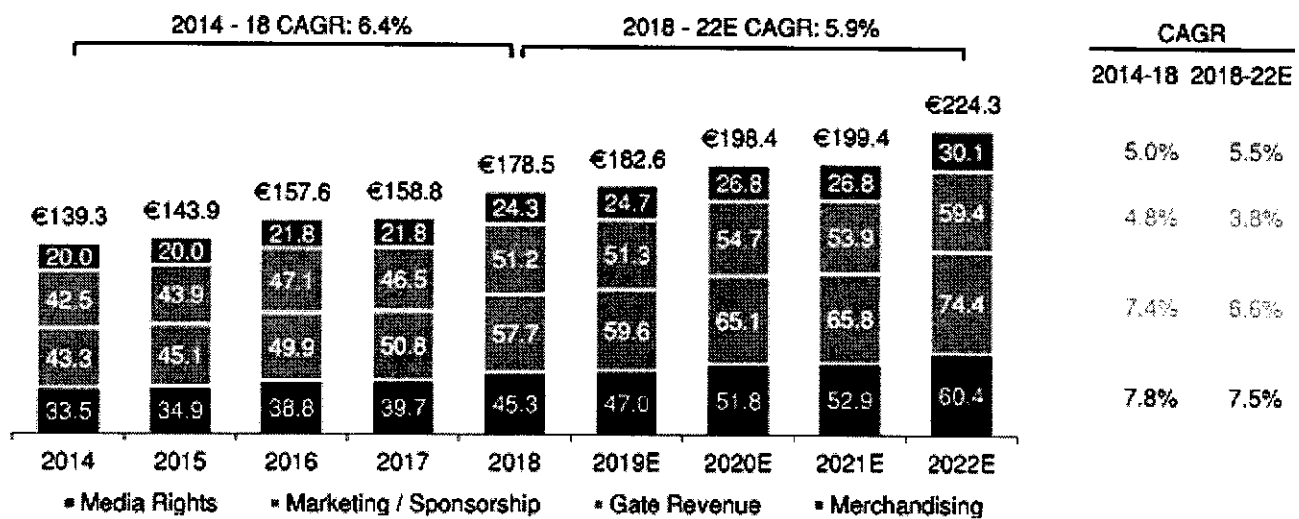
Within the global sports media and events market, football represents the largest sport in terms of revenue in 2018 and its growth is likely to be further driven by the continuously successful operation of premium leagues and also emerging markets in the Asia-Pacific, or APAC, region. New event brands are expected to create potential for summer (Olympic) sports, while winter (Olympic) sports is forecast to be driven by its growing popularity and the influence of the upcoming Beijing 2022 Winter Olympic Games. Mass participation sports are projected to grow in light of trends reflecting increased focus on promoting healthier and better active lifestyles.

### *Commercial lines*

...

The following table sets out, broken down by commercial line, the estimated historical and projected size of the global sports media and events market.

### 2014 – 2022E Global Sports Media and Events Market by Commercial Lines (€ in billions)



The largest contribution within the global sports media and events market is expected to continue to come from marketing and sponsorship as brands continue to use sports as a medium to engage with their end customers. *As a result, this commercial line is projected to be a major driver of the global sports media and events market as a whole with a CAGR of 6.6% from 2018 to 2022.* The growth is driven, in particular, by the APAC region, where the sponsorship demand is currently not as developed as in North America and Europe.

Media rights is another commercial line that is expected to grow rapidly and is therefore projected to be another major driver of the global sports media and events market due to new emerging digital channels and pay-TV. As new channels emerge, audiences are fragmenting across media, including online and mobile, and the new channels have created competition in the market for media rights. *Revenue generated from media rights within the global sports media and events market is expected to grow at a CAGR of 7.5% from 2018 to 2022, outpacing the other commercial lines over this period.*

Gate revenue and revenue generated from merchandising within the global sports media and events market are forecast to grow at a relatively stable rate. As income increases in line with economic development, an increasing number of audience groups will be willing to enjoy live matches and purchase related goods, driving the market.

...

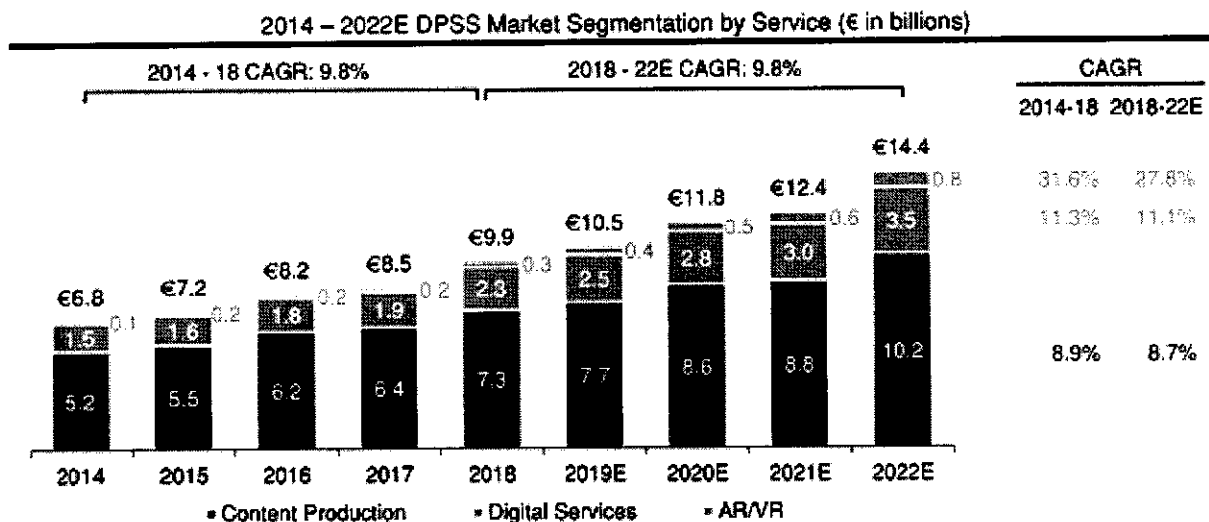
#### Growth in digital, production and sports solutions (DPSS) market



The DPSS market refers to the market related to digital information and technology, including both content production and new services, such as digital services and augmented reality, or AR, and virtual reality, or VR, services.

...

We are the number two global independent DPSS service provider in terms of revenue in 2018. The following table sets out, broken down by service, the estimated historical and projected size of the DPSS market, based on revenue.



Content production is the largest segment comprising 73.9% and approximately 70.5% of the market's revenue in 2018 and 2022, respectively. Factors contributing to future growth include artificial intelligence and applications leveraging data, continued technology disruption and increased digital presence among sports operators. *The DPSS market as a whole is expected to grow at a CAGR of 9.8% from 2018 to 2022.*

(Emphasis added.)

41. The Registration Statement noted that the industry and the Company's business was cyclical, but continually growing as the "Prospectus Summary" stated in pertinent part:

*The global sports media and events market is projected to grow from €179 billion in 2018 to €224 billion in 2022, representing a CAGR of approximately 5.9%. The industry exhibits a pattern of higher growth rates in even years than odd years, primarily due to a number of major international sports events, such as the FIFA World Cup™ and the UEFA EURO™ football events as well as the Olympic Games being each held in even years.*

(Emphasis Added).

42. On top of the broad and sustained growth of the sports industry, the Registration Statement also touted the Company's diversification and predictable revenue, stating in part:

***Proven and highly visible financial model with a history of delivering profitable growth***

*We consider our revenue to be predictable and highly visible, which is underpinned by long-standing relationships and long-term rights-in contracts with premier rights-in partners.* We also benefit from significant visibility of our revenue from our mass participation sports events. We are typically able to see a substantial portion of our expected revenue in connection with an event well in advance of its hosting date from the athletes' entry fees, as athletes will pay such fees up to a year before the event to secure a place. Host city fees and sponsorship revenue also generally are collected upfront. In many cases across our businesses, we are able to provide visibility on our revenue through multiple-year media and sponsorship contracts.

*We historically have been a highly cash generative business with low capital expenditure requirements. We are diversified across geographies and sports, and, in particular in our spectator sports and DPSS businesses, have built a contract portfolio based on long-standing relationships. In our portfolio, we seek to maintain a well-diversified and balanced mix of rights-in arrangements and a comprehensive service offering, which we consider essential to reduce dependency on any single counterparty or revenue stream.* We receive diverse revenue streams from both our owned and licensed events, our rights-in and rights-out arrangements and our service contracts with partners. No single rights-in or services contract in our current portfolio accounted for more than 10% of our revenue (excluding reimbursement revenues) in 2018, 2017 and 2016. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Revenue-Generation Models" for more information as to our revenue generation.

(Emphasis added.)

43. The Registration Statement also touted Wanda Sports' management team, stating in relevant part:

***Visionary and experienced management team able to leverage the capabilities of our organization and principal shareholder***



We benefit from a senior management team with a reputation for visionary leadership and a track record of building long-standing personal relationships with key stakeholders throughout the sports ecosystem and of successful growth through acquisitions and strategic partnerships. They work closely with our team of seasoned international sports and media specialists who have deep execution and operational experience.

We have cultivated a globally experienced and skilled work force, focused on collaboration, individual accountability, flexibility and willingness to deliver high quality service to our clients. Our senior management team is able to leverage the capabilities of this broader work force to facilitate our ongoing and long-term relationships that are key to our sports events, media and marketing platform. Our combined team offers substantive industry experience throughout the global sports ecosystem, as well as in-depth knowledge of the Chinese sports market.

44. The statements contained in ¶¶ 30-43 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations and prospects: (1) the lack of major sporting events for its DPSS and Spectator Sports segments for its second quarter of 2019, ending before the IPO, would negatively impact revenue for the second quarter of 2019; (2) Wanda Sports had suffered a year-over-year decrease in revenue in its second quarter ended June 30, 2019 and would for its fiscal year 2019, primarily related to lower reimbursement revenues accounted for in its DPSS segment and lack of Spectator Sport segment offsets; and (3) as a result, Defendants' statements about the Company's business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

45. On September 6, 2019, Wanda Sports issued a press release announcing that Defendant D. Yang resigned from his role on the Company's Board and that Yimin Gao had been appointed President and CEO of Wanda Sports China.

46. On September 9, 2019, Wanda Sports reported its earnings results for the second quarter ended June 30, 2019 (the "September 9 Press Release"). The financial highlights of the press release began with:

**Total revenue** reached €283.8 million (US\$322.8 million), **a decrease of 30% year-over-year**. Excluding the impact of reimbursement revenue<sup>1</sup>, total revenue would have been €256.1 million (US\$291.3 million), representing an increase of 4% year-over-year.

(Emphasis added.)

47. The September 9 Press Release further examined Wanda Sports' massive year-over-year decrease in revenue in the second quarter ended June 30, 2019, stating in part:

**Total revenue was €283.8 million (US\$322.8 million), a decrease of 30% from the second quarter of 2018, primarily attributable to decreased revenue from the Digital, Production, Sports Solutions (DPSS) segment.** Excluding reimbursement revenue, total revenue was €256.1 million (US\$291.3 million), up 4% year-over-year, mainly due to increased revenue from our Mass Participation segment.

Revenue in our Mass Participation segment was €90.9 million (US\$103.4 million), up 21% year-over-year. The growth was primarily driven by increases in the number of gross-paid athletes and average revenue per gross-paid athlete. The number of gross-paid athletes increased from 449,000 in the second quarter of 2018 to 466,000 in the second quarter of 2019 attributable to the contribution from recently acquired events. Average revenue per gross-paid athlete increased to €118 from €96 in the second quarter of 2018.

**Revenue in our Spectator Sports segment was €138.1 million (US\$157.1 million), down 6% year-over-year. The decrease was primarily due to the decline in revenue from our football portfolios, reflecting the event cyclicity of the 2018 FIFA World Cup Russia™.** The decrease was also partially offset by stronger contributions from summer and winter sports this year.

**Revenue in our DPSS segment was €54.8 million (US\$62.3 million), down 70% year-over-year. The 2018 FIFA World Cup Russia™ took place during the second and third quarters of 2018 and the FIFA Host Broadcast production project generated significant revenue for the DPSS segment.** Excluding reimbursement revenue, DPSS revenue would have been €27.1 million (US\$30.8 million), up 15% year-over-year, primarily driven by the change of portfolio mix.

(Emphasis added).

48. The September 9 Press Release included third quarter 2019 and full year 2019 guidance continuing with the disappointing and unexpected news stating in part, “For 2019, we currently expect: . . . *Total revenue to be in the range of €1,008 million to €1,070 million, or down 11% to 5% from 2018.*” (Emphasis added.)

49. On October 28, 2019, Wanda Sports announced that it has expanded its Board and appointed a new independent director, Kenneth Jarrett, to serve on Wanda Sports’ Audit, Compensation and Nomination and Corporate Governance Committees.

50. The price of Wanda Sports’ securities has plummeted since the IPO. The highest Wanda Sports ADSs closed since its IPO is \$5.36. Wanda Securities have traded significantly lower than the IPO price of \$8.00 per ADS.

51. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of Wanda Sports’ ADSs, Plaintiff and other Class members have suffered significant losses and damages.

#### **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

52. Plaintiff brings this action as a class action on behalf of all those who purchased Wanda Sports securities pursuant and/or traceable to the Registration Statement (the “Class”). Excluded from the Class are Defendants and their families, the officers and directors and affiliates of Defendants, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

53. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least

thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Wanda Sports or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

54. Plaintiff's claims are typical of the claims of the members of the Class, as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

55. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

56. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- a) whether Defendants violated the Securities Act;
- b) whether the Registration Statement contained false or misleading statements of material fact and omitted material information required to be stated therein; and
- c) to what extent the members of the Class have sustained damages and the proper measure of damages.

57. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

58.

**COUNT I**

**Violations of Section 11 of the Securities Act Against All Defendants**

59. Plaintiff incorporates all the foregoing by reference.

60. This Count is brought pursuant to §11 of the Securities Act, 15 U.S.C. §77k, on behalf of the Class, against all Defendants.

61. The Registration Statement contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

62. Defendants are strictly liable to Plaintiff and the Class for the misstatements and omissions.

63. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Registration Statement were true and without omissions of any material facts and were not misleading.

64. By reason of the conduct herein alleged, each Defendant violated or controlled a person who violated §11 of the Securities Act.

65. Plaintiff acquired Wanda Sports securities pursuant to the Registration Statement.

66. At the time of their purchases of Wanda Sports securities, Plaintiff and other members of the Class were without knowledge of the facts concerning the wrongful conduct alleged herein and could not have reasonably discovered those facts prior to the disclosures herein.

67. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Offering that should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the Offering. It is therefore timely.

73. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Offering that should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the Offering. It is therefore timely.

### **COUNT III**

#### **Violations of Section 15 of the Securities Act Against the Individual Defendants**

74. Plaintiff incorporates all the foregoing by reference.

75. This cause of action is brought pursuant to §15 of the Securities Act, 15 U.S.C. §77o against all Defendants except the Underwriter Defendants.

76. The Individual Defendants were controlling persons of Wanda Sports by virtue of their positions as directors or senior officers of Wanda Sports. The Individual Defendants each had a series of direct and indirect business and personal relationships with other directors and officers and major shareholders of Wanda Sports. The Company controlled the Individual Defendants and all of Wanda Sports' employees.

77. Wanda Sports and the Individual Defendants were culpable participants in the violations of §§11 and 12(a)(2) of the Securities Act as alleged above, based on their having signed or authorized the signing of the Registration Statement and having otherwise participated in the process which allowed the IPO to be successfully completed.

78. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Offering that should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the Offering. It is therefore timely.

**COUNT II**

**Violations of Section 12(a)(2) of the Securities Act Against All Defendants**

68. Plaintiff incorporates all the foregoing by reference.

69. By means of the defective Prospectus, Defendants promoted, solicited, and sold Wanda Sports securities to Plaintiff and other members of the Class.

70. The Prospectus for the IPO contained untrue statements of material fact, and concealed and failed to disclose material facts, as detailed above. Defendants owed Plaintiff and the other members of the Class who purchased Wanda Sports securities pursuant to the Prospectus the duty to make a reasonable and diligent investigation of the statements contained in the Prospectus to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. Defendants, in the exercise of reasonable care, should have known of the misstatements and omissions contained in the Prospectus as set forth above.

71. Plaintiff did not know, nor in the exercise of reasonable diligence could Plaintiff have known, of the untruths and omissions contained in the Prospectus at the time Plaintiff acquired Wanda Sports securities.

72. By reason of the conduct alleged herein, Defendants violated §12(a)(2) of the Securities Act, 15 U.S.C. §77l(a)(2). As a direct and proximate result of such violations, Plaintiff and the other members of the Class who purchased Wanda Sports securities pursuant to the Prospectus sustained substantial damages in connection with their purchases of the shares. Accordingly, Plaintiff and the other members of the Class who hold the securities issued pursuant to the Prospectus have the right to rescind and recover the consideration paid for their shares, and hereby tender their securities to Defendants sued herein. Class members who have sold their securities seek damages to the extent permitted by law.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, on behalf of herself and the Class, prays for judgment and relief as follows:

A. declaring this action to be a proper class action, designating Plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

B. awarding damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

C. awarding Plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. awarding Plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

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**DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.

Dated: November 18, 2019

Respectfully submitted,

RANSOM, GILBERTSON, MARTIN &  
RATLIFF, LLP

By:

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*Counsel for Plaintiff*

## Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The Rosen Law Firm P.A., retains The Rosen Law Firm P.A. to file an action under the federal securities laws to recover damages and to seek other relief against Wanda Sports Group Company Limited. The Rosen Law Firm P.A. will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Wanda Sports Group Company Limited. Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The Rosen Law Firm P.A.

**First name:** Cherry  
**Middle initial:** Xiaoye  
**Last name:** Fu  
**Address:**  
**City:**  
**State:**  
**Zip:**  
**Country:**  
**Facsimile:**  
**Phone:**  
**Email:**



Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.
5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.
6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	07/26/2019	750	6.08

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate:

**YES**

**Certification for Cherry Fu (cont.)**

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By clicking on the button below, I intend to sign and execute this agreement and retain the Rosen Law Firm, P.A. to proceed on Plaintiff's behalf, on a contingent fee basis.

**YES**

Signed pursuant to California Civil Code Section 1633.1, et seq. - and the Uniform Electronic Transactions Act as adopted by the various states and territories of the United States.

Date of signing: 11/16/2019

Cherry Fu

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